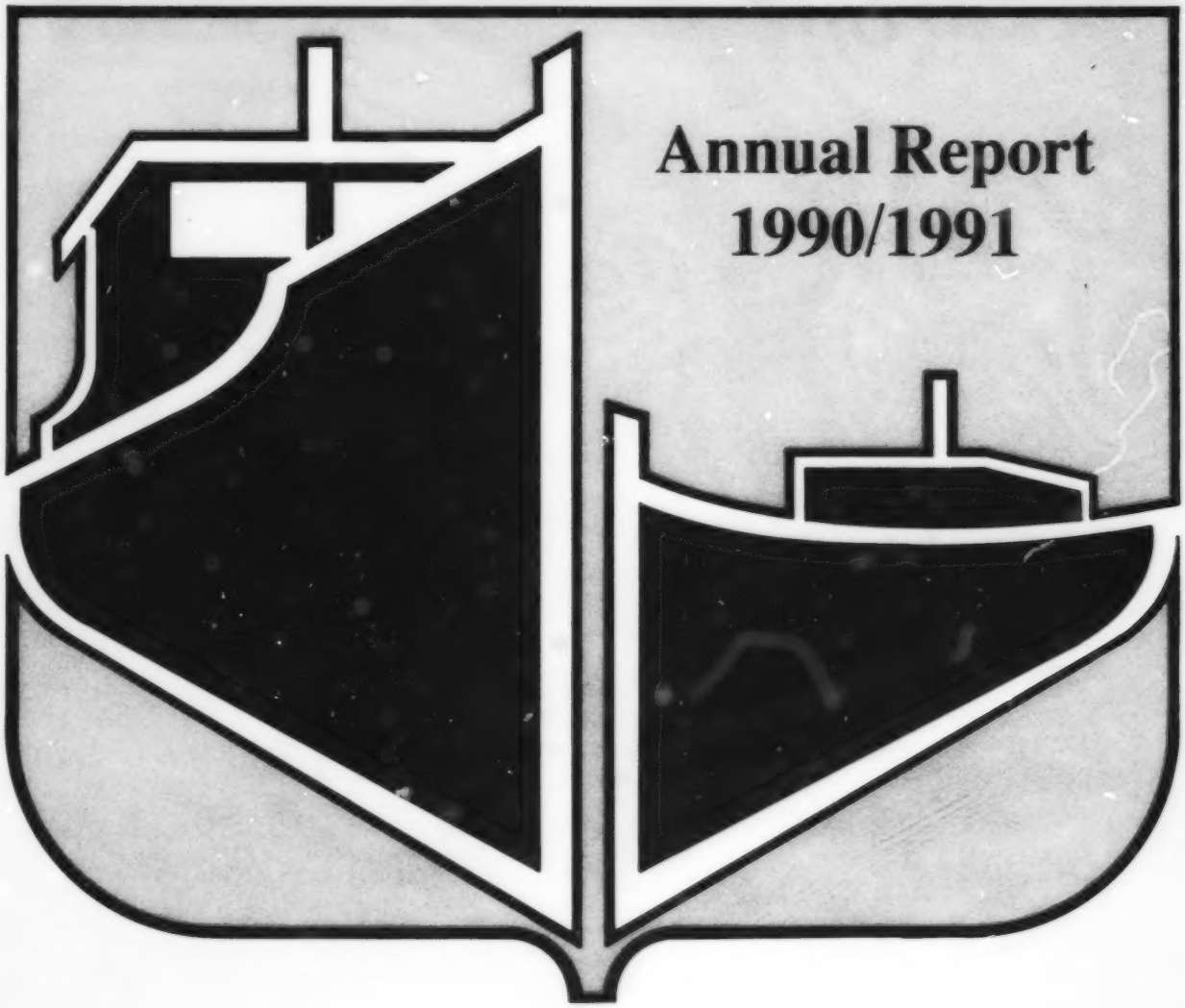
FISHERIES LOAN BOARD



Annual Report 1990/1991

The Cover of the Annual Report
is the Fisheries Loan Board Logo

Fisheries Loan Board of Newfoundland and Labrador
P. O. Box 8700
Suite 502, 5th Floor
Atlantic Place
St. John's, Nfld.
A1B 4J6

92-07322/

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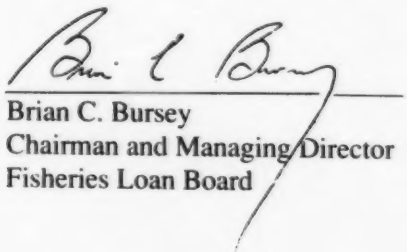
Honourable Walter C. Carter, M.H.A.
Minister of Fisheries
Government of Newfoundland and Labrador
St. John's, Newfoundland

Sir:

On behalf of the Fisheries Loan Board of Newfoundland and Labrador, I am pleased to submit the Annual Report, together with the financial statements, of the Board, for the fiscal year ended March 31, 1991.

Respectfully submitted,



Brian C. Bursey
Chairman and Managing Director
Fisheries Loan Board

The Fisheries Loan Board of Newfoundland and Labrador was established in 1949 to provide financing for the development of the fishing industry. Over the years the Board's mandate has evolved so that it now provides financing exclusively for fishermen to acquire and upgrade fishing vessels and related equipment to pursue the inshore and midshore fisheries.

All loan applications for financial assistance are processed by officials of the Loan Board and are submitted to the Executive Board for approval. The Executive Board, which meets every second week, presently consists of nine members representing the fishing industry, the Provincial and Federal Governments, and the private sector. Members of the Board are appointed by the Lieutenant-Governor in Council.

This report briefly describes some of the highlights and activities of the 1990 - 91 fiscal year and provides statistical, financial, and general information related to the Board's operations.

Salvage, Bonavista Bay

It is a pleasure to submit the 1990 - 91 Annual Report of the Fisheries Loan Board.

While the 1990 inshore fishery was reasonably successful in most areas of the Province, a result of good landings and prices, concerns about resource availability and possible quota reductions again caused many fishermen to take a second look at vessel replacement. Moreover high interest rates encouraged many fishermen to postpone purchases in the expectation that financing costs would soon decline. In fact the Board's lending rate, which reached 11.25 percent in the first half of 1990 - 91, declined to 8.25 percent effective April 1, 1991.

Although these factors contributed to a reduction of 12 percent in applications under the Direct Loan Program, and an even greater reduction of 35 percent under the Bank Loan Program, the overall level of activity continued to be on par with historical norms. Loan approvals under the two programs totalled 775 in 1990 - 91 with associated disbursements of $16.1 million.

The mandate of the Board is, among other things, to assist in the development of the inshore fishery while encouraging an economically viable industry which is owned and operated by independent fishermen. The Board is, therefore, increasingly concerned about the marginal nature of many fishing enterprises, particularly in view of possible overcapitalization in the harvesting sector vis-a-vis stable or declining fishery resources. The Board must exercise care to ensure that its programs do not contribute to overcapitalization in areas of sufficient capacity, while responding to the needs of fishermen in areas, such as Labrador, where the harvesting sector remains underdeveloped.

In recent years many operators of larger inshore boats, faced with resource shortages, have found it necessary to fish further from shore in conditions which are far from ideal, especially during the winter months. In the opinion of the Board this has contributed to losses of both lives and vessels. While increased emphasis on safety and training may be beneficial it can also be argued that shrinking competitive quotas have exacerbated this trend.

Economic pressures and severely reduced demand for new large vessels contributed to the financial difficulties of local shipbuilders in 1990 - 91. The Board has worked closely with the industry to address some of the problem areas in an effort to protect the interests of both builders and fishermen, and, while some rationalization has occurred, it appears the industry has been placed on a much firmer footing for the coming year.

The success of the Fisheries Loan Board is dependent, not only upon the efforts of its staff and Executive Board, but also upon the support of Department of Fisheries Field Staff, shipyards and suppliers, Chartered Banks, the FFAW, and, of course, the approximately 6,000 fishermen who are clients of the Board. I wish to express my appreciation to those organizations and individuals who helped make 1990 - 91 a successful year. In particular, the Board would like to honour the contribution of Mr. Eric Wells, Deputy Chairman, who left the Board in 1991 after eleven years of distinguished service.

Brian C. Bursey
Chairman

Mr. Brian C. Bursey, Chairman
Chairman and Managing Director
Fisheries Loan Board

Mr. Eric Wells, Deputy Chairman
Deputy Chairman & Director of Loans
Fisheries Loan Board

Mr. Reginald Kingsley
Assistant Deputy Minister
Department of Fisheries

Mr. Kevin Carroll
Fishermen, Food and Allied Workers

Mr. Jerry Canning
Member at Large

Mr. William Walsh
Fisherman

Mr. Selwyn Genge
Fisherman

Mr. Doug Chubbs
Institute of Fisheries and
Marine Technology

Mr. David Aylward
Department of Fisheries & Oceans

The Fisheries Loan Board operates under the authority of **The Fisheries Loan Act, The Fishing Ships (Bounties) Act, The Fishing and Coasting Vessels Rebuilding and Repairs (Bounties) Act,** The Bank Loan Guarantee Program and the Small Boat Bounty Program. Authority is provided for the Board to provide low interest loans and guarantees and capital grants (Bounties) to fishermen who meet the eligibility criteria set forth in the Acts, Regulations and Guidelines.

In addition to providing financial assistance, the Board is responsive to the needs of fishermen in other ways, including the provision of advice on the viability of proposed operations and, generally, in helping fishermen to manage their financial affairs. Furthermore, technical advice and inspection services are provided to ensure that fishing vessels are constructed and equipped to adequate standards.

The following pages summarize the Assistance Programs administered by the Board.

Hodge's Cove, Trinity Bay

LENDING PROGRAMS

Direct Loan Program

Direct loans less than $50,000 are provided by the Board at subsidized interest rates. The interest rate charged is three percentage points below the Provincial Government Banker's prime interest rate as determined on April 1 and October 1 of each year. These loans are intended to assist fishermen wishing to purchase or upgrade small fishing vessels and related equipment.

Bank Loan Guarantee Program

Loans between $50,000 and $1,300,000 are provided directly by Chartered Banks and are guaranteed by Government. An interest subsidy is also provided so that fishermen pay the same interest rates on bank loans as are charged on loans through the Direct Loan Program.

The tables on the following pages provide statistical information concerning Direct Loan and Bank Loan Guarantee Program activity for the 1990-91 with comparative figures for the preceding fiscal year.

BOUNTY PROGRAMS

The purpose of the Bounty Programs is to encourage the acquisition, replacement or rebuilding and repair of vessels by providing a subsidy to reduce the capital costs of boats to fishermen. The programs consist of:

(A) A Small Boat Bounty Program for new vessels less than 10 tons (usually under 35 feet). The subsidy is provided on a per foot basis.

(B) A Large Boat Bounty Program for new vessels greater than 10 tons. The subsidy is provided on an underdeck tonnage basis.

(C) A Rebuilding and Repair Bounty Program to rebuild and repair vessels in excess of 10 tons, more than 8 years old, and registered in Newfoundland for at least five years. The subsidy is provided as a percentage of the approved cost.

The graphics on the following pages provide statistical information concerning the Bounty Programs for 1990-91 with comparative figures for the preceding fiscal year.

Table 1

Direct Loans Approved for Fiscal Year 1990/1991

(with comparative figures for 1989/1990)

	Number			Loan Amount ($000)		
Purpose of Loan	**89/90**	**90/91**	**% Change**	**89/90**	**90/91**	**% Change**
Engines & Equipment	402	308	-23%	2,531	1,541	-39%
New Vesssels 35' and Under	367	289	-21%	3,887	2,881	-26%
New Vessels Over 35'	2	0	-100%	100	0	-100%
Used Vessels 35' and Under	99	85	-14%	1,599	1,053	-34%
Used Vessels Over 35'	56	59	5%	1,744	2,045	17%
Total Direct Loans	926	741	-20%	9,861	7,520	-24%

Table 2

Bank Loans Approved for Fiscal Year 1990/1991

(with comparative figures for 1989/1990)

	Number			Loan Amount ($000)		
Purpose of Loan	**89/90**	**90/91**	**% Change**	**89/90**	**90/91**	**% Change**
Engines & Equipment	7	7	0%	385	185	-52%
New Vessels 35' and Under	4	2	-50%	334	148	-56%
New Vessels Over 35'	12	7	-42%	5,984	4,336	-28%
Used Vessels 35' and Under	0	1	—	0	70	—
Used Vessels Over 35'	29	17	-41%	6,173	3,795	-39%
Total Bank Loans	52	34	-35%	12,876	8,534	-34%

Table 3

Loans Approved for New Vessels (large and small)
1986/1987 - 1990/1991

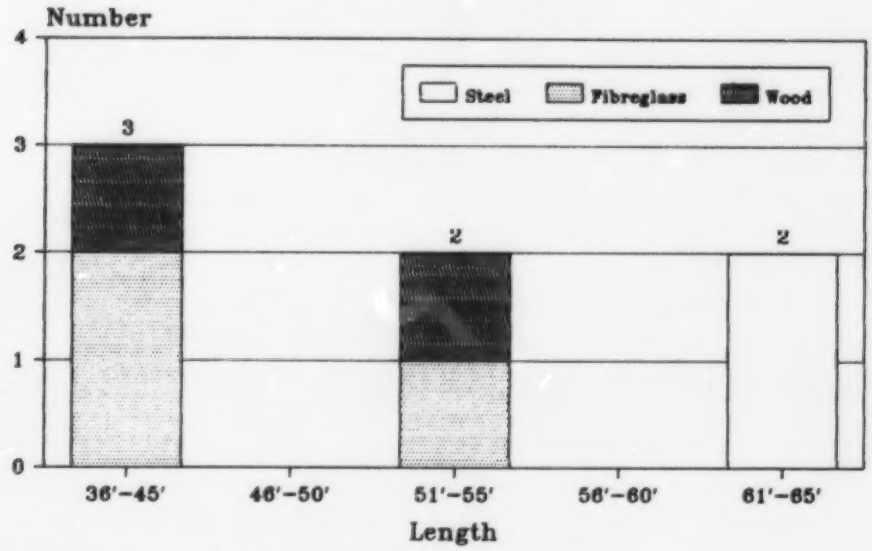
	Direct Loans				Bank Loans			
	Small Vessels		Large Vessels		Small Vessels		Large Vessels	
	#	Loan Amount ($000)	#	Loan Amount ($000)	#	Loan Amount ($000)	#	Loan Amount ($000)
1990/1991	289	2,881	—	—	2	148	7	4,336
1989/1990	367	3,877	2	100	4	334	12	5,984
1988/1989	424	4,246	—	—	6	469	33	19,743
1987/1988	515	4,964	4	129	3	185	35	15,940
1986/1987	271	2,270	3	83	—	—	2	1,061

Small Vessels are those 35' and under in length.

Vessels greater than 35' in length are defined as Large Vessels.

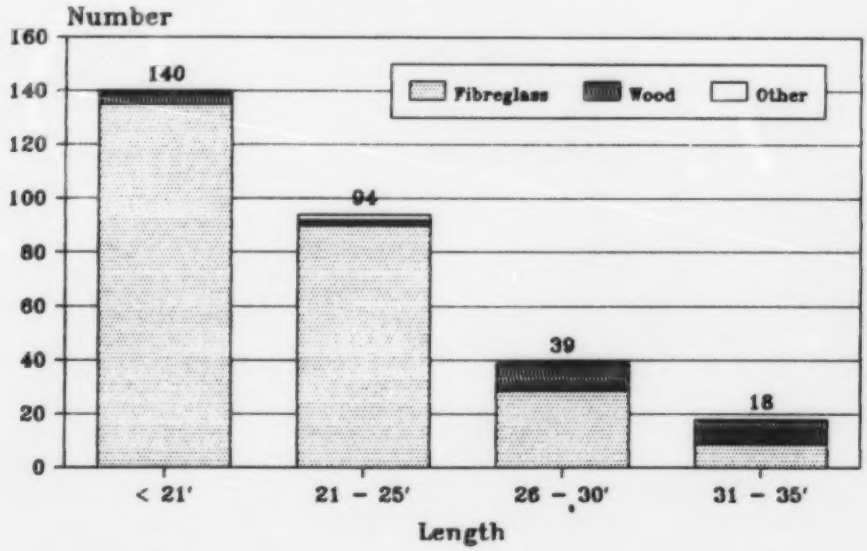
Packs Harbour, Labrador

Figure 1
Loans Approved for Large New Vessels*
1990/91 (by Type & Size)



* Over 35'.

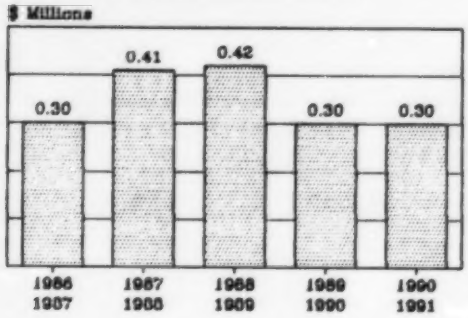
Figure 2
Loans Approved for Small New Vessels*
1990/91 (by Type & Size)



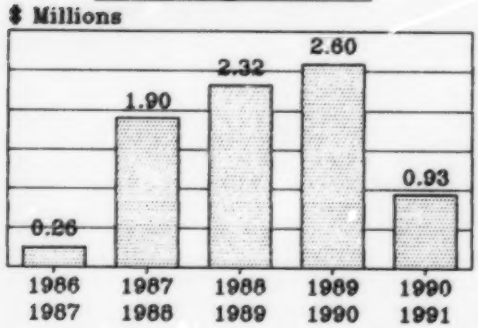
* 35' and under.

Figure 3
Bounty Programs (by Dollar Value)
1986/1987 - 1990/1991

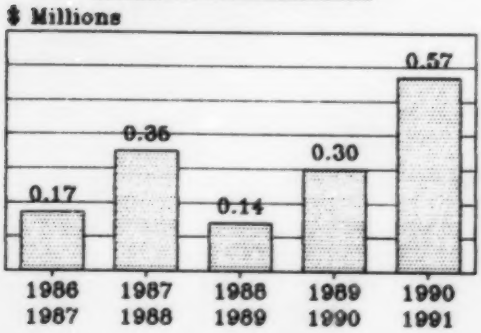
Small Boat Bounty
(Vessels less than 35')

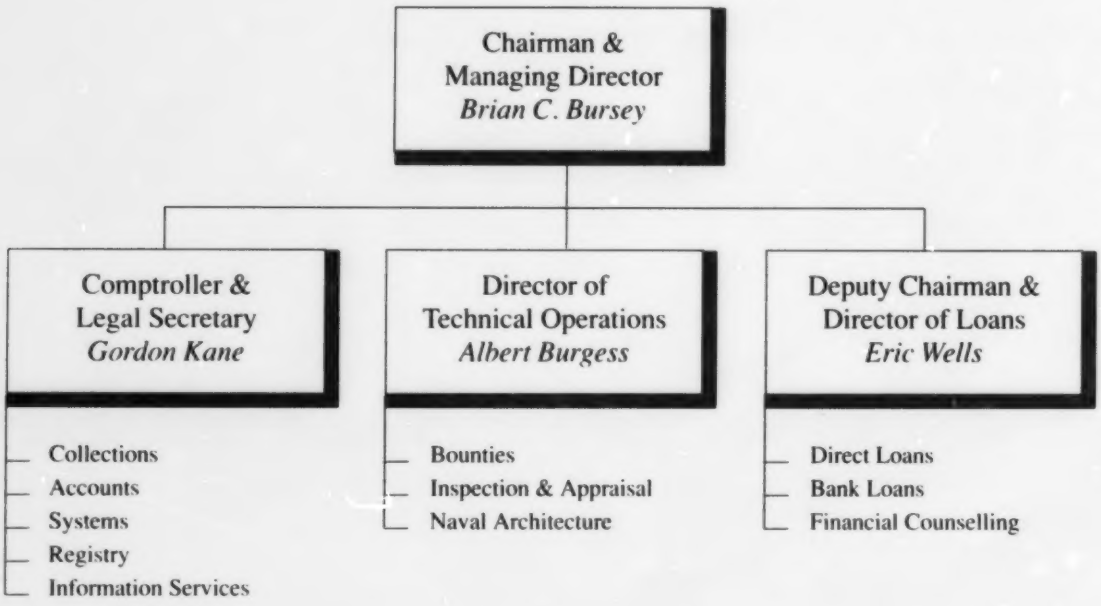


Large Boat Bounty
(Vessels larger than 35')



Rebuilding & Repair Bounty
(Vessels larger than 35')





Senior Management

Brian C. Bursey — Chairman & Managing Director
Eric Wells — Deputy Chairman & Director of Loans
Gordon Kane — Comptroller & Legal Secretary
Albert Burgess — Director of Technical Operations

Senior Staff

Financial Division

Keith Barry — Assistant Comptroller
Doug Tibbo — Chief Accountant
Susanne Blackmore — Co-Ordinator of Information Services
David Fleming — Collections Supervisor
Greg Bonia — Systems Analyst

Loans Division

David Patrick — Bank Loan Program Director
Anne Donnelly — Financial Counsellor
Andy Kean — Senior Loans Officer

Technical Division

Len Edwards - Technical Services Co-Ordinator
Joanne Pardy - Naval Architect

Loans Section

The Board, through its Direct Loan Program, provides fishermen with financial assistance to purchase boats, engines, electronics and related equipment. Over the last few years, a number of enhancements have been made to the Direct Loan Program which have improved the approval and cheque disbursement process.

In 1990, as part of the ongoing effort to improve efficiency and to streamline the Direct Loan process, revisions were made to the Emergency Loan procedures. Through a set of guidelines, the Executive Board empowered management to approve those loans which are determined to be emergencies and are in harmony with normal approval criteria. These revised procedures permit an almost immediate response to fishermen who unexpectedly find themselves in need of emergency assistance.

Activity under the Bank Loan Guarantee Program declined dramatically in 1990 - 91 relative to 1989 - 90. However, much of the decrease was because many applications received after January 1991 were not presented to the Board until after April 1, as fishermen wished to avail of anticipated reductions in interest rates. It is expected that a further decline in interest rates along with increasing fish prices will stimulate greater activity during the 1991-92 year.

Much of the initial work involved in updating the Bank Loan Guarantee Program Agreement has been completed and it is expected the new Agreement will be in place before the second half of the 1991 - 92 fiscal year. No dramatic changes are envisioned, reflecting the highly successful record of the Program since its inception in 1981.

Technical Services

The Technical Services Division is involved in all aspects of Loan Board activity and is directly responsible for the three Bounty Programs, vessel inspection and appraisal, the Board's Naval Architecture Program, and the development and enforcement of standards and regulations for fishing vessel construction.

The Technical Services Division experienced another busy year in 1990-91, especially with respect to the rebuilding and repair of older wooden boats where fibreglass sheathing continued to grow in popularity. Even though the number of new large boat permits was down vis-a-vis 1989 - 90, a great deal of activity was generated from vessels started in the previous fiscal year, as evidenced by the fact that 17 new large vessels were delivered in 1990 -91.

Several of the Province's shipbuilders experienced financial difficulties in 1990-91. The Board was actively involved in ensuring that fishermen with vessels under construction in these yards were successful in having these vessels completed. All of the vessels involved have now been delivered and are actively involved in the fishery.

Accounting and Administrative Section

This section is responsible for the Board's accounting system and procedures, as well as for all other administrative functions of the Board. Approximately 5400 direct loans are currently administered by this section.

During 1990-91 a commitment control system for direct loans was developed and implemented. This system will be valuable in ensuring that the Board is successful in operating within its budgetary guidelines in 1990-91.

The development of a new billing system was also completed and introduced in 1990-91. The new billing system provides fishermen with improved information concerning the status of their Board financed loans.

Collections Section

A generally good inshore fishery and reasonable prices for groundfish species contributed to 1990-91 collections of $7.3 million vis-a-vis 1989-90 collections of $6.6 million. Receipts were provided in roughly equal proportions by both voluntary payments and the Board's Assignment of Catch Program.

During the year a review of the Board's Assignment of Catch Program was conducted which resulted in the Board revising its Assignment of Catch Agreement to make it more effective. The Assignment of Catch Program enables fishermen to make payments on their loan accounts throughout the fishing season as income is earned, and is of benefit to both fishermen and the Board as a means of facilitating repayments. Recent changes will have the effect of extending the program to cover fishermen in virtually every community in the Province, and improve the efficiency of remittances by fish buyers and processors.

Repossession activity continued as a result of follow-up on delinquent accounts and 36 vessels were repossessed. Repossession is a last resort for the Board and is undertaken only when all other attempts to rehabilitate the accounts have been unsuccessful. Repossessions are generally voluntary and agreed to by the fishermen involved.

Enquiries Section

The Enquiries Section operates as the front line for fishermen and others in their initial contact with the Board. In 1990-91 there were approximately 1,260 enquiries with respect to various aspects of the Board's operations. While most of these contacts involved loan applications and approvals, enquiries were also received with respect to accounts and technical matters.

In addition to general enquiries, this Section is responsible for administering emergency loan requests from fishermen who require financing on a rush basis due to equipment breakdown or other problems which may occur during the fishing season. There were 36 requests for emergency loans in 1990-91.

DEPARTMENT OF THE AUDITOR GENERAL
ST. JOHN'S, NEWFOUNDLAND

AUDITOR'S REPORT

The Chairperson and Members
Fisheries Loan Board of
Newfoundland
St. John's, Newfoundland

I have audited the balance sheet of the Fisheries Loan Board of Newfoundland, Fisheries Loan Fund, as at 31 March 1991 and the statements of revenue and expenditure, equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at 31 March 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

C. R. Hart C.A.

C. R. Hart, C.A.
Auditor General (Acting)

St. John's, Newfoundland
18 October 1991

FISHERIES LOAN BOARD OF NEWFOUNDLAND

FISHERIES LOAN FUND

BALANCE SHEET

31 MARCH 1991

ASSETS

	1991	1990
Cash	$ 116,665	$ 304,249
Interest Subsidy Receivable (Note 5)	605,230	652,978
Loans Receivable (Note 2)	54,425,396	53,234,198
	55,030,626	53,887,176
Less: Allowance for Doubtful Accounts	19,924,096	18,928,962
	35,106,530	34,958,214
TOTAL ASSETS	35,223,195	35,262,463

LIABILITIES

Borrowers' Deposits on New Loans	206,977	234,139
Tender Deposits	815	895
TOTAL LIABILITIES	207,792	235,034

EQUITY

Province of Newfoundland		
Contributed Capital	45,591,958	45,427,807
Deficit	(10,576,555)	(10,400,378)
TOTAL EQUITY	35,015,403	35,027,429
TOTAL LIABILITIES AND EQUITY	$ 35,223,195	$ 35,262,463

See accompanying notes

Signed on behalf of the Board

Chairman and Managing Director

Member

FISHERIES LOAN BOARD OF NEWFOUNDLAND

FISHERIES LOAN FUND

STATEMENT OF EQUITY

FOR THE YEAR ENDED 31 MARCH 1991

	1991	1990
Contributed capital, beginning of year	$ 45,427,807	$ 43,282,180
Add: Contributations made by Province during the year	6,906,639	10,877,423
	52,334,446	54,159,603
Less: Capital contributions returned to the Province	5,612,312	4,967,009
Principal write-offs (Note 6)	1,130,176	3,764,787
Contributed capital, end of year	45,591,958	45,427,807
Deficit, beginning of year	10,400,378	13,063,557
Add: Payments to the Province for interest collected on loans issued by the Board	2,437,483	1,934,410
Less: Excess of revenue over expenditure	1,131,130	832,802
Less: Principal write-offs (Note 6)	1,130,176	3,764,787
Deficit, end of year	10,576,555	10,400,378
Equity, end of year	$ 35,015,403	$ 35,027,429

See accompanying notes

FISHERIES LOAN BOARD OF NEWFOUNDLAND

FISHERIES LOAN FUND

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 1991

	1991	1990
REVENUE		
Interest on loans	$ 3,333,082	$ 2,907,413
EXPENDITURE		
Provision for doubtful accounts	2,201,942	2,074,453
Operating expenses (Note 3)	10	158
	2,201,952	2,074,611
Excess of revenue over expenditure	$ 1,131,130	$ 832,802

See accompanying notes

FISHERIES LOAN BOARD OF NEWFOUNDLAND

FISHERIES LOAN FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 1991

	1991	1990
Cash resources were provided by:		
Principal installments on loans receivable	$ 5,095,503	$ 5,105,123
Interest on loans receivable	2,218,148	1,183,121
Provincial bounty on loans advanced	272,485	351,632
Required payments on loans advanced	990,499	1,231,525
Tender deposits	19,947	9,250
Province of Newfoundland		
– Advances to fund	6,906,639	10,877,423
– Interest subsidy (Note 5)	3,702,704	2,464,051
Marine insurance payments (net)	483,228	268,825
Lease advances	3,193	7,006
Appraisal fees	1,101	—
	19,693,447	21,497,956
Cash resources were used for:		
Loan advances		
– Purchase of boats and equipment	8,131,592	12,032,797
Repossession expenses	43,472	38,834
Payments of interest subsidy (Note 5)	3,656,171	2,691,581
Payments to Province of Newfoundland	8,049,796	6,901,419
	19,881,031	21,664,631
Decrease in cash during year	187,584	166,675
Cash, beginning of year	304,249	470,924
Cash, end of year	116,665	304,249

See accompanying notes

FISHERIES LOAN BOARD OF NEWFOUNDLAND

FISHERIES LOAN FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1991

Authority

The Fisheries Loan Board of Newfoundland operates under authority of The Fisheries Loan Act, Chapter 134, Revised Statutes of Newfoundland 1970. These statements are a representation of the activities of the Fisheries Loan Fund as established by Section 6 of that Act. The Fisheries Loan Regulations, 1980, established under The Fisheries Loan Act, state in Section 14 that the minimum amount that the Board may advance by way of a loan to fishermen is $1,000 and the maximum amount shall be $50,000.

1. Accounting policies

(a) Basis of accounting

The Board follows the accrual basis of accounting.

(b) Allowance for doubtful accounts

The allowance for doubtful accounts relates to loans receivable and represents an estimate of future probable losses on the accounts outstanding at year end. With respect to this estimate, the Board recognizes that future economic and fishing industry conditions are not predictable and, therefore, their impact on the collectibility of loans is uncertain.

Actual losses on loans are charged to the allowance while recoveries of loan losses are credited to the allowance. The adjustment of the allowance to the appropriate level is charged to operations as a provision for doubtful accounts.

(c) Capital contributions

The Fisheries Loan Board receives capital contributions from the Province under Section 11 of The Fisheries Loan Act to be deposited into the Fisheries Loan Fund for the purpose of making loans or advances to fishermen and to other persons, associations, societies or companies engaged either directly or indirectly in the catching, handling, processing or distribution of fish or fish products.

FISHERIES LOAN BOARD OF NEWFOUNDLAND

FISHERIES LOAN FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1991

1. Accounting policies (Cont.)

(d) Payments to the Province

During 1985 an amendment was made to The Fisheries Loan Act regarding collections on loans receivable. The amendment required the Board to pay into the Consolidated Revenue Fund out of the Fisheries Loan Fund such monies as directed by the Lieutenant-Governor in Council. As directed by the Lieutenant-Governor in Council the interest portion of all loan payments are remitted to the Consolidated Revenue Fund with the principal portion remitted to the Department of Fisheries, all on a monthly basis.

(e) Income taxes

The Fisheries Loan Board is not subject to either Federal or Provincial income taxes.

2. Loans receivable

	1991	1990
Principal not yet due	$ 25,060,743	$ 26,036,645
Principal due and unpaid	21,530,698	20,036,344
Interest due and unpaid	6,181,609	5,674,328
Interest accrued	1,652,346	1,486,881
	$ 54,425,396	$ 53,234,198

Included in the principal and interest outstanding at 31 March 1991 is the amount of $8,043,356 (31 March 1990 - $7,933,870) which represents principal and interest due from individuals whose boats have been repossessed and sold. Of this amount $65,040 (31 March 1990 - $300,945) represents the balance of contracts entered into prior to 3 September 1974, of which a portion is not legally collectible. Principal and interest due from individuals whose boats have been repossessed and unsold amounted to $1,014,237 (31 March 1990 - $840,014).

3. Operating expenses

The Department of Fisheries, Province of Newfoundland, was responsible for current account operating expenses totalling $6,094,839 (1990 - $4,886,363) of the Fisheries Loan Board. These expenses are not reflected in these financial statements.

FISHERIES LOAN BOARD OF NEWFOUNDLAND

FISHERIES LOAN FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1991

4. Commitments

Loans authorized but not disbursed as at 31 March 1991 amounted to $2,025,842 (1990 - $3,530,147). It is expected that the majority of these loans will be disbursed within the five month period ending 31 August 1991 from advances to be made to the Fund by the Province.

5. Interest subsidy

The Board pays an interest subsidy for the interest charges on fishermen's bank loans to the extent of the difference between the bank's interest rate and the Board's interest rate when the loan was approved. These payments are subsequently recovered from the Province and charged to the Department of Fisheries. For the year ended 31 March 1991 the Board paid $3,656,171 (1990 - $2,691,581) in interest subsidy and had recovered $3,702,704 (1990 - $2,464,051) from the Province.

6. Principal write-offs

During the 1990-91 fiscal year the Board received approval to write off principal balances of $1,130,176 (1989-90 - $3,764,787 which included $3,459,629 in debt restructuring write-offs) as bad debts, thereby reducing both its liability to the Province and its overall deficit position.

7. Contingent liabilities

(a) A client of the Fisheries Loan Board has taken legal action jointly against a boat builder and the Fisheries Loan Board as a result of certain alleged technical problems that the fisherman claims to have experienced with a vessel that was financed through the Fisheries Loan Board Program. The amount of this potential claim is in the $900,000 to $1,100,000 range. Notwithstanding the above, however, the opinion of the Department of Justice regarding the Board's risk of exposure is that there is a good defence to this claim and that risk of loss should consequently be minimal.

(b) In a matter related to the above noted legal action another party has issued a Statement of Claim against Her Majesty the Queen in right of Newfoundland and the Fisheries Loan Board. Because of matters related to the above noted legal action the Crown and the Fisheries Loan Board will not have to file a defence until two weeks after the above noted legal action has been dispensed. The amount of this claim has been estimated at $493,000.

(c) A client has filed a Notice of Intended Action dated 1 April 1991 against the Fisheries Loan Board and Her Majesty the Queen in the right of Newfoundland because of an alleged breach of a bounty agreement. The client will be seeking an estimated $143,700 and interest.